

# **FISCAL MEMORANDUM**

## **HB 2571 – SB 2650**

April 7, 2008

**SUMMARY OF AMENDMENTS (013410, 015187):** Amendment 013410 deletes the original bill in its entirety. Replaces the current definition of “AMA Guides” as such definition applies to workers’ compensation. Current law states that such guide is the most recent edition of the *American Medical Association Guides to the Evaluation of Permanent Impairment*. This definition is replaced with language requiring the edition in effect on the date the injury takes place to be applicable to any resulting claim. Authorizes the Commissioner of the Department of Labor and Workforce Development (LWFD) to determine the effective date of new guides. Requires any new edition to be adopted within six months of its release unless a contracted cost analysis reveals an increase in expenditures to the workers’ compensation system, in which case, implementation may be delay. Requires the full titles and effective dates for each edition to be posted on the LWFD website. Amendment 015187 requires the Commissioner of LWFD to report to the Special Joint Committee of the General Assembly on Workers’ Compensation at the next scheduled meeting to explain any delay in implementation resulting from the cost analysis.

### **FISCAL IMPACT OF ORIGINAL BILL:**

(CORRECTED)

Increase State Expenditures – Exceeds \$100,000

Increase Local Expenditures\* - Exceeds \$100,000

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

**Increase State Expenditures – Not Significant**

Assumptions applied to amendments:

- Any increase in state expenditures for LWFD to place the required information on its website, contract for cost analysis studies or provide

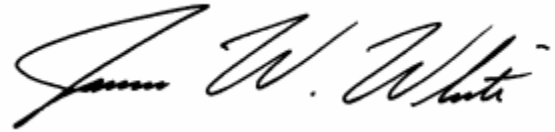
**HB 2571 – SB 2650**

the required report to the General Assembly is estimated to be not significant and can be handled within existing resources without an increased appropriation or reduced reversion.

- The Commissioner of LWFD will not implement an edition of the AMA Guide that results in increased costs to the state workers' compensation system.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/cce